



T.C.D.R.S. PLAN ASSESSMENT FOR CALENDAR YEAR 2025

Presented By: Leo S. Caldera, CIA, CGAP, County Auditor
Diana Aguirre, Retirement Administrator

September 9, 2024

HISTORY OF BEXAR COUNTY RETIREE COLA'S

BEXAR COUNTY CURRENT RETIREMENT PLAN BENEFITS:

7% COMPOUNDED INTEREST ANNUALLY; 200% MATCH AT RETIREMENT; LIFETIME ANNUITY

CALENDAR YEAR	APPROVED COLA	Notes:
2023	5% Flat	Funded into plan over 15 years, decreased funded ratio Total Cost: \$45,660,995 Cost Per Year: \$3,044,066 Paid in Full: Calendar Year 2038
2018	10% CPI	Prefunded \$676,452, rate did not increase for the year.
2014	2% Flat	Funded into plan, increased employer rate for the year
2013	2% Flat	Funded into plan, increased employer rate for the year
2009	30% CPI	Funded into plan, increased employer rate for the year
2008	30% CPI	Funded into plan, increased employer rate for the year
2006	30% CPI	Funded into plan, increased employer rate for the year
2002	2% Flat	Funded into plan, increased employer rate for the year

BEXAR COUNTY COLA RETIREMENT TYPES & COST

Retiree COLA Types:

Flat-rate COLAs

- The benefit payment increases by the selected percentage and is applied to the benefit payment the retiree is currently receiving
- Every retiree (no matter when he/she retired) gets the same percentage increase
- This Flat-rate method does not take into consideration individual retiree's loss of purchasing power. A person who retired two years ago receives the same percentage as someone who retired 30 years ago

CPI-based COLAs

- The percentage selected is not a fixed, flat rate application but rather is the percentage to restore lost purchasing power due to inflation
- The Consumer Price Index (CPI) is an index the federal government uses to measure inflation
- This CPI-based method also considers how many years the former employee has been retired and how many other COLAs were received during retirement

COLA Costs:

COLA OPTIONS	Additional Contribution to Fully Fund COLA	TCDRS Required Rate with COLA:			Change to Funded Ratio
			Jan-Dec 2025	Estimated Payroll Cost	
No COLA	N/A	14.41%	\$52,200,638		86.10%
1% Flat Rate	\$10,406,611	14.72%	\$53,323,621		85.70%
20% CPI	\$3,688,634	14.52%	\$52,599,116		86.00%

Note: Non pre-funded COLA costs are typically fully paid over a 15 year period

20% CPI AND 1% FLAT COLA COMPARISONS

			20% CPI-Based COLA Cost: \$3,688,634 Contribution Rate: 14.52% Funded Ratio: 86%			1% Flat COLA Cost: \$10,406,611 Contribution Rate: 14.72% Funded Ratio: 85.7%		
Years Retired	Retirement Year	Average Current Monthly Payment	Percentage Increase	Estimated Average New Monthly Payment	Estimated Monthly Increase	Percentage Increase	Estimated Average New Monthly Payment	Estimated Monthly Increase
30	1994	\$1,418	Not eligible if retired 1975-2011			1%	\$1,432	\$14
12	2012	\$2,087	0.08%	2,089	\$2	1%	\$2,108	\$21
7	2017	\$2,391	0.39%	2,400	\$9	1%	\$2,415	\$24
2	2022	\$2,496	2.00%	2,546	\$50	1%	\$2,521	\$25